

140th anniversary
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February 27, 2012

Rachel Campbell
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

ENTERED
Office of Proceedings

FEB 27 2012

Part of
Public Record

RE: Docket No. AB 167 (Sub-No. 1191X)
Consolidated Rail Corporation -- Abandonment
Exemption -- in Philadelphia, Pennsylvania

Docket No. AB 55 (Sub-No. 710X)
CSX Transportation, Inc. -- Discontinuance
Exemption -- in Philadelphia, Pennsylvania

Docket No. AB 290 (Sub-No. 552X)
Norfolk Southern Railway Company -- Discontinuance
Exemption -- in Philadelphia, Pennsylvania

Dear Ms. Campbell:

I am writing on behalf of Consolidated Rail Corporation ("Conrail"), in response to the Second Request to Toll the Time Period for Filing an Offer of Financial Assistance filed by Eric S. Strohmeier (Individually) ("Strohmeier") and CNJ Rail Corporation ("CNJ"), as amended, filed on February 24, 2012. As the undersigned stated to a Board representative that same date, Conrail has no objection to Strohmeier's and CNJ's request to toll the time period for filing an Offer of Financial Assistance ("OFA") until March 9, 2012, if the matter is bifurcated to permit the abandonment of that section of the former rail line from Milepost 2.80 to Milepost 2.98 to proceed, pending any environmental conditions, as soon as possible. Such a bifurcation, to which Strohmeier and CNJ have stipulated their consent and state would not affect their intended OFA, would permit the removal of the railroad bridge over Allegheny Avenue at Milepost 2.92 to proceed, pursuant to an Order of the Pennsylvania Public Utility Commission, and would also permit a property sale to a commercial developer within that area.

In not objecting to Strohmeier's and CNJ's Second Request to Toll the Time Period for Filing an OFA until March 9, Conrail reserves any and all rights it has to object to an actual OFA, if and when it is filed. Conrail's non-objection to the tolling of the time period is being made simply to accommodate responses to the additional information requests filed by Strohmeier and CNJ as well as in response to their stipulation to bifurcate the proceeding.

Conrail also makes the following responses to certain specific assertions made in Strohmeier's and CNJ's Second Request to Toll the Time Period. Although vague, paragraph 12 of the filing, read in conjunction with paragraph 13, could be read to indicate that Conrail did not choose to enter into its

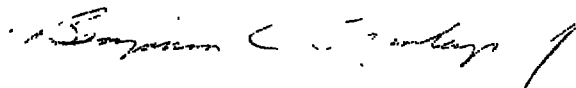
Agreement of Sale with David Groverman for a portion of the former rail line "freely of its own accord," but instead may have done so pursuant to pressure from the City. That is simply untrue.

In addition, in regard to paragraphs 26 - 29 of Strohmeier's and CNJ's filing, Conrail never stated that it salvaged the rail on the line south of the sale area to the City. Instead, it stated in response to question 2 in its Response to Information Requests of Eric S. Strohmeier (Individually) and CNJ Rail Corporation Pursuant to Notice of Intent to File an Offer of Financial Assistance on February 7, 2012, that it thought substantial areas of the track south of the sale area may have been removed by others, without Conrail's permission. While Conrail stated an incorrect milepost number for the southern terminus of the sale area to the City in its Response to Information Requests, which will be corrected in Conrail's responses to Strohmeier's and CNJ's additional information requests, Strohmeier and CNJ themselves have admitted to Conrail that at least a portion of the rail south of the 1978 sale area has been removed. To the extent that any rail remains paved over in the street, Conrail would take the position that the remaining rail belongs to it and Strohmeier and CNJ would be liable for any salvage value thereof if their OFA were to be accepted, as will be explained further in Conrail's responses to Strohmeier's and CNJ's additional information requests.

In addition, it is to be noted that the Valuation Maps referenced by Strohmeier and CNJ indicate at note 23 on Valuation Map V18P/1 and note 2-1 on Valuation Map V18P/2 a July 11, 1871, agreement with the City for the referenced areas. Those notations are entirely consistent with Conrail's assertion that it did not own the property in the public streets where its tracks were located south of the 1978 sale area to the City except, as now has been indicated may be the case, to the extent of any track that may remain in the street.

Please contact me if you have any further questions in regard to this matter at this time.

Sincerely,



Benjamin C. Dunlap, Jr.

BCDjr/jc

cc: Eric S. Strohmeier
John Enright, Esquire